

**LOUISIANA DEPARTMENT OF INSURANCE
OFFICE OF LEGAL SERVICES**

**CONSENT AGREEMENT
THE LOUISIANA DEPARTMENT OF INSURANCE
AND
UNITED PROPERTY AND CASUALTY INSURANCE COMPANY**

Agreed Upon Facts

1. United Property and Casualty Insurance Company (hereafter also referred to as "Company") (NAIC #10969) is an admitted insurer permitted to do business in the state of Louisiana since April 25, 2014 and the status of the Certificate of Authority is active.
2. The Louisiana Department of Insurance conducted a targeted Market Conduct Examination of United Property and Casualty Insurance Company covering the period of August 27, 2020 through June 30, 2021.
3. The examination began on July 1, 2021; and Risk and Regulatory Consulting, LLC was retained by the Louisiana Department of Insurance to assist with the examination.
4. All records provided for the examination were provided by United Property and Casualty Insurance Company.
5. The examiners prepared criticisms (potential violations identified during the examination) which were communicated to the company. United Property and Casualty Insurance Company was afforded the opportunity to respond to the criticisms as it deemed appropriate. Violations or areas of alleged non-compliance were cited as findings to which the Company could either agree or disagree.
6. The Examination Report was issued on April 1, 2022 documenting the practices found to be noncompliant with LSA R.S. Title 22.
7. On April 1, 2022, the Louisiana Department of Insurance sent a letter via certified mail to the Company requesting any written submissions or rebuttals be received by the Department of Insurance no later than April 8, 2022.
8. The Examination report was adopted on April 11, 2022.

Alleged Violations

1. The Company was deemed to be in violation of La. R.S. 22:1625 (C) as the company did not conduct a periodic on-site review of the underwriting and claims processing operations of its Managing General Agent.
2. The Company was deemed to be in violation of La. R.S. 22:1973. In two of the 25 claims with payment during the Examination Period, or 8.0% of the sample, the Company failed to make a payment within 60 days after satisfactory proof of loss was submitted.
3. The Company was deemed to be in violation of La. R.S. 22:1892. In three of the 25 claims with payment during the Examination Period, or 12.0% of the sample. The Company failed to make a payment within 30 days after satisfactory proof of loss was submitted.
4. The Company was deemed to be in violation of La. R.S. 22:1964(14)(g). In two of the 25 claims with payment during the Examination Period, or 8.0% of the sample, the Company compelled insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered.
5. The Company was deemed to be in violation of La. R.S. 22:1964(16). In seven of the 131 claims without payment during the Examination Period, or 5.3% of the sample, the Company did not maintain complete and accurate records and/or did not provide records/documentation.

6. The Company was deemed to be in violation of La. R.S. 22:1990. In seven of the 131 claims without payment during the Examination Period, or 5.3% of the sample, the Company did not maintain complete and accurate records and/or did not provide records/documentation.
7. The Company was deemed to be in violation of La. R.S. 22:1964 (14) (b), (c) and (f). In one of the 25 claims with payment during the Examination Period, or 4.0% of the sample, the Company's utilization of multiple desk adjusters delayed the claim investigation and settlement of the claim.
8. The Company was deemed to be in violation of La. R.S. 22:1896. In two of the 25 claims with payment during the Examination Period, or 8.0% of the sample, the Company failed to respond to claim inquiries and requests within 14 days of the inquiry or request.
9. The Company was deemed to be in violation of La. R.S. 22:1892. In two of the 25 claims with payment during the Examination Period, or 8.0% of the sample, the Company failed to act on the claim within 30 days after receipt of satisfactory proofs of loss.
10. The Company was deemed to be in violation of La. R.S. 22:1964(14)(b), (c) and (f). In one of the 131 claims without payment during the Examination Period, or 0.8% of the sample, the Company's utilization of multiple desk adjusters delayed the claim investigation and settlement of the claim.

Commissioner's Action

1. As a result of the investigation and documentation in the possession of the Louisiana Department of Insurance, and in accordance with La. R.S. 22:18, La. R.S. 22:1969 and La. R.S. 49:961(now codified as La. R.S. 49:977.3), the Louisiana Department of Insurance issued a Cease and Desist Order and Notice of Fine, dated June 7, 2022, against the certificate of authority of United Property and Casualty Insurance Company (NAIC #10969) finding the Company to be in violation of the statutes listed above and ordering the Company to Cease and Desist from the aforementioned violations and assessing a fine in the amount of \$250,000.00.
2. United Property and Casualty Insurance Company made a request for appeal of the Cease and Desist Order and Notice of Fine issued on June 7, 2022.

Joint Consent Agreement

1. United Property and Casualty Insurance Company agrees to cease and desist from the aforementioned violations.
2. United Property and Casualty Insurance Company and the Louisiana Department of Insurance consent to a fine amount of \$150,000.00.
3. United Property and Casualty Insurance Company acknowledges that this Consent Agreement constitutes an administrative action by the Louisiana Department of Insurance.
4. United Property and Casualty Insurance Company acknowledges that by entering into this Consent Agreement any rights to an adjudicatory hearing related to the Cease and Desist Order and Notice of Fine issued on June 7, 2022, and any appearance regarding same are hereby waived.
5. United Property and Casualty Insurance Company agrees to pay the civil regulatory fine in the amount of \$150,000.00 within 10 days after the effective date of this Consent Agreement.

This Consent Agreement shall take effect on the last date it is signed by all parties. This Consent Agreement may be executed in multiple copies, each of which shall be considered an original.

Signed on this 5 day of December, 2022, by United Property and Casualty Insurance Company.

Brooke Adler

BY: United Property and Casualty
Insurance Company

Brooke Adler, General Counsel
Printed Name and Title

Sworn to and subscribed before me, Notary Public,
on this 5 day of December, 2022.

[Signature]
Notary Public

Signed on this 5 day of December, 2022, by Nathan Strebeck,
Deputy Commissioner, Office of Insurance Fraud, Louisiana Department of Insurance

[Signature]

LOUISIANA DEPARTMENT OF INSURANCE
Nathan Strebeck, Deputy Commissioner



KELLY HUMPHREY
Commission # GG 942579
Expires December 26, 2023
Bonded Thru Budget Notary Services